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## FISCAL IMPACT REPORT

SPONSOR Vigil DATE TYPED 02-26-05 HB 944

SHORT TITLE NM Highlands Economic Development Initiative SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$810.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico Highlands University in the General Appropriations Act. Duplicates SB741

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Commission on Higher Education (CHE)  
New Mexico Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

House Bill 944 – Making an Appropriation to the Board of Regents of New Mexico Highlands University for an Economic Development Initiative – appropriates \$810,000 from the general fund to the Board of Regents of New Mexico Highlands University for expenditure in FY06 for an economic development initiative centered at New Mexico Highlands University in conjunction with the city of Las Vegas and Luna Vocational-Technical Institute. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

#### Significant Issues

CHE indicates that this program will be centered at New Mexico Highlands University School of Business Administration and seeks to stimulate economic development for the city of Las Vegas and San Miguel County. The group represents a wide spectrum of business people from gov-

ernment and private sectors along with concerned individuals. The project is directed at encouraging new “homegrown” ventures, nourish existing local and regional businesses, and attract outside business investments.

CHE further notes that this request was approved by New Mexico Highlands University Board of Regents in the amount of \$560,000 and submitted to CHE for review; however the program was not recommended for expansion by the commission at this time.

### **FISCAL IMPLICATIONS**

The appropriation of \$810,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

New Mexico Highlands University will retain oversight of this appropriation.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for New Mexico Highlands University in the General Appropriations Act.

Duplicates SB741 in that SB741 also seeks to appropriate \$810,000 from the general fund to the Board of Regents of New Mexico Highlands University for expenditure in FY06 for an economic development initiative centered at New Mexico Highlands University in conjunction with the city of Las Vegas and Luna Vocational-Technical Institute.

### **OTHER SUBSTANTIVE ISSUES**

CHE suggests – assuming that funding will continue beyond FY06 – that consideration might be given to requiring New Mexico Highlands University to submit a plan for program evaluation, including specific program goals and criteria for assessing program effectiveness to the Legislative Finance Committee and the Commission on Higher Education by October 1, 2005. Further that the university should also submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by June 30, 2008 detailing the benefits to the State of New Mexico from having this program implemented for a three-year period.

**BFW/yr**